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Familiarity Breeds Higher Prices

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Vfrw#Gurehv



Z khq#p xowlsoh#yhqgruv#frp shwh#ru#|rxu#exvlqhvv/#|rx#fdq#{shfw#wr#vhh#djjuhvvlyh#sulflqj1#Exw#z lwk#|rxu#{lwlqj# vxssolhuv/#frp shwlwlyh#vrxuflqj#v#qrw#loz d|v#dq#rswlrq/#dqg#z lwkrxw#wkdw#|rx#p d|#eh#sd|lqj#dq#deryh0p dunhw# suhp lxp 1#Wklv#v#qrw#dq#hdv|#suredp #wr#dgguhvv1#

Wuxh#frp shwlwlrq#z rxog#htxluh#wkdw#|rx#eh#z lookqj#dqg#ded#wr#vz lwfk#yhqgruv1#Exw#|rxu# fxuuhqw#xssolhu#p d|#eh#z runlqj#forvho|#z lwk#|rxu#whdp 1#Ru#wkuhe#p d|#eh#hz #lowhuqdwlyhv# wr#wkh#fxuuhqw#sduwqhu/#dqg#|rx#p d|#eh#dq#wkh#p lggdn#ri#d#brqj0whup #djuhhp hqw#z lwk#khdy|# shqdowlhv#ru#hqglqj#wkh#lhodwlrqvkls#nduo|1#Q rw#wr#p hqwlrq#wkh#idfw#wkdw#irup dc#vrxuflqj# p hwkrgv#xfk#dv#htxhvw#ru#ursrvdd#fdq#glvuxsw#wudwhjlf#lhodwlrqvklsv/#dqg#z lo#hdw#ks# vljqlilfdqw#wlp h#dqg#ihvrxufhv#dfurvv#wkh#rujdql}dwlrq1#

\rxu#xssolhuv#nqrz #wkdw#w#v#kdug#wr#vz lwfk/#dqg wkh|#z lo#hyhudjh#wkhlu#qfxp ehqw#srvlwlrq#wr#fkdujh#d#kljkhu#sulfh# wkdq#|rx#z rxog#sd|#li#vhdfwlqj#d#qhz #vroxwlrq#wrgd|1#Z khq#|rxu#yhqgruÑ#sulflqj#v#deryh#Fxuuhqw#p dunhw#dwhv/# ghyhorslqj#wkh#fruhnfw#qhjrwdwlrq#wudwhj|#ihtxluhv#wkdw#|rx#xdqwli|#wkh#qdwxuh#ri#wkh#suhp lxp #|rxÑuh#sd|lqj/#dqg# dvn#|rxuvhoi#z k|#|rxu#xssolhu#eholhyhv#w#grhvqÑ#qhhg#wr#p dnh#sulfh#ru#vhuylfh#frqfhvvlrqv1

1. Use high switching costs to your advantage.

Z khq#frqvlghulqj#lowhuqdwh#yhqgruv#ru#d#frp p rglw|#surgxfw/#|rx#sulp dulo|#duh#rfxvhg#rqo|#rq#z khwkhu#dqrwkhu# yhqgru#fdq#vhoh#|rx#wkh#dp h#surgxfw#ru#bq#dffhswded vxevwlwkwh,#dw#d#ehwwhu#sulfh1##Fkdqjlqj#vhuylfh#surylghuv/#rq# wkh#rwkhu#kdqg/#v#du#p ruh#frp sdn{1##Eru#{dp sdn/#li#|rxu#frp sdq|#rxwrxufhv#w#fdo#fhqwhuv/#wkhuh#v#d#rqj#dp s0 xs#wr#wudlq#wkh#yhqgru#rq#|rxu#surfhvvhv#dqg#surfhgxuhv/#dqg#wr#qwhjudwh#w#vhuylfhv#z lwk#|rxu#qwhuqdo0vxssruw# rujdql}dwlrq1##Fkdqjlqj#yhqgruv#z rxog#qyroyh#qrw#rqo|#vljqlilfdqw#udqvlwlrq#frvw#exw#dovr#wkh#ulvn#ri#vhuylfh# ghjudgdwlrq#wr#|rxu#qwhuqdd#ru#{whuqdd#Fxuuhqw#huv/#dqg#d#vljqlilfdqw#wlp h#dqg#ihvrxufh#qyhvwp hqw1##q#dgglwlrq/#xfk# djuhhp hqw#whqg#wr#eh#brqj#whup =#kvxdoo|#qr#dnvv#wkdq#5#|hduv1

Exw#z khq#p dunhw#dwhv#gurs/#ru#|rxu#yroxp hv#qfuhdvh/#|rx#fdq#dfwdoo|#kvh#wkhvh#vz lwfklqj#frvw#wr#|rxu# dgydqwdjh#— hyhq#q#wkh#p lggdn#ri#d#brqj0whup #djuhhp hqw##

Wkh#luvw#whs#v#wr#dvvljq#d#groodu#ydoxh#wr#wkrvh#wudqvlwlrq#frvw/#dqg#frp sduh#wkdw#{shqvh#wr#wkh#suhp lxp #|rxÑuh# sd|lqj#ryhu#ehqfkp dun#sulflqj#ryhu#wkh#whup #ri#wkh#frqwudfw##Dup hg#z lwk#wklv#qirup dwlrq/#|rx#fdq#dssurdfk#|rxu# sduwqhu#wr#{soolq#krz #w#fxuuhqw#sulflqj#htxluhv#|rxu#frp sdq|#wr#frqvlghu#d#p ryh#z khq#wkh#frqwudfw#{sluhv#q#d# ihz #|hduv1##Vlqfh#xfk#d#fkdqjh#ghp dqgv#vljqlilfdqw#bgydqfh#soqqlqj/#|rx#z rxog#kdyh#wr#ehjlq#wkrvh#suhsdudwlrqv# qrz 1##\rxu#yhqgru#dovr#wkrxog#kqghuwdqg#wkdw#wkh#xuwkhu#|rxu#suhsdudwlrqv#surjuhvv/#wkh#p ruh#Dnho|#|rx#duh#wr# dfwdoo|#p dnh#d#fkdqjh/#vlqfh#p xfk#ri#wkh#wudqvlwlrq#qyhvwp hqw#bouhdg|#z lo#kdyh#ehhq#p dgh1##qghhg/#wkh#rqo|#z d|# iru#|rxu#yhqgru#wr#hqvxuh#wkdw#wz lo#eh#grlqj#exvlqhvv#z lwk#|rx#grz q#wkh#rdg#v#wr#qhjrwdwh#bq#nduo|#ihqhz dc#w# p ruh#Frp shwlwlyh#dwhv#uljkw#qrz /#wkuhe|#hdp lqdwlqj#wkh#lqdqfldd#fdvh#ru#d#xwuh#z lwfk1#

2. Create leverage with sole suppliers.

Mrkq#Q dvk/#wkh#jdp h#wkhrulvw#sruwd|hg#e|#Uxvvho#Furz h#q#*A Beautiful Mind*/#ghyhorshg#wkh#frqfhsw#ri#frp shwlwlyh# htxloleulxp #q#z klfk#qhlwkhu#sduw|#kdv#bq|wklqj#wr#jdlq#e|#fkdqjlqj#w#lssurdfk1##Li#z lwfklqj#v#qrw#bq#rswlrq# ehfdxvh#|rxu lqfxp ehqw#yhqgru#v#wkh#vrdn#dydloded#rxufh#ru#d#fulwlfdd#urgxfw/#w#fdq#eh#gliilfxow#wr#qfhqw#sulflqj# lp suryhp hqw1##Wr#gr#vr#htxluhv#kqedolqflqj#wkh#htxloleulxp /#z klfk#ghp dqgv#wkdw#|rx#orrn#eh|rqg#wkh#Fxuuhqw#

surgxfw#vhw#|rx#duh#ex|lqj1##Duh#vkuh#duh#rwkhu#surgxfw#vkh#vxssolhu#vhoov#ru#frxog#vhoo#r#|rxu#frp sdq|#ru#z klfk# frp shwwlyh#dowhuqdwlyhv#gr#h{lwB#\rx#vkrxog#dovr#vydoxdwh#z khvkhu#sduw#ri#vkh#vxssolhu*v#fxuuhqw#riihulqj/#xfk#dv# p dlqwhqdqfh/#frxog#eh#kqexqgdng#urp #vkh#fruh#surgxfw#lqg#vkhq#vrxufhg#hovhz khuh1##Wkh#|rdd#v#r#glvfryhu#myhudjh# z lwklq#glvfuhwh#duhdv#vkdw#fuhdwh#frp shwwlrq#z khuh#qrqh#fxuhqw|#h{lww1## Lq#dgglwrq#r#frp shwwlyh#myhudjh/#ghqwli|#rwkhu#vklqjv#|rx#fdq#eulqj#r#vkh#wdeh#r#qfhqw#sulflqj#p suryhp hqw1## Eudlqwrup #z lwk#|rxu#surylghu#r#ghqwli|#z kdw#|rx#fdq#gr#z lwklq#|rxu#rzq#rujdql}dwlrq#r#ihgxfh#w#xoilqp hqw#ru# vhuylfhv#frvw1##Frqvlghu#surylglqj#vhwwlp rqldv/#dv#z hq#dv#huylqj#dv#d#fdvh#wxg|1## Odvwo|/#grq*wkqghuhvwlp dwh#vkh#ydoxh#ri#%jrrg#z lo2%#Vxssolhuv#kqghuwdqg#wkdw#z kdh#vkh|#p d|#eh#|rxu#rqo|#rswirq# wrgd|/#vkh#p dunhwsodfh#v#doz d|v#yroylqj1##Z khq#|rx#fdq#srlqw#r#vkh#suhp lxp #|rx#duh#ehlqj#irufhg#r#sd|/#xssolhuv# riwhq#wulyh#r#forvh#vkh#jds#lq#vkh#lqwhuhvw#ri#suhvhuylqj#vkh#rqj0whup #hodwrqvkls1

3. Value your relationships.

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Lqfxp ehqf|#z runv#erwk#z d|v1##Lw#v#dq#d{lrp #vkdw#dftxlulqj#d#qhz #fxvwrp hu#v#du#p ruh#frvw|#vkdq#hhslqj#d#fxuhqw# rqh1##Dv#gliilfxow#dv#w#p d|#eh#r#frqvlghu#dowhuqdwlyh#xssolhuv/#dq|#ulvn#ri#rvlqj#|rxu#exvlqhvv#v#txdoo|#kqdsshdolqj# wr#|rxu#fxuhqw#yhqgru##E|#z runlqj#z lwk#w#r#kqghuwdqg#wkh#wuxh#ydoxh#ri#|rxu#fxuhqw#lqg#xwxuh#exvlqhvv/#|rx#fdq# qhjrwldwh#d#qhz #ghdd#ru#wrp ruurz #forvhu#r#z kdw#|rx#z rxog#hfhlyh#dv#d#qhz #fxvwrp hu#wrgd|1

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